

# **CANADIAN ARROW MINES LIMITED**

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## **ANNUAL REPORT**

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**FOR THE YEAR ENDED DECEMBER 31,**

**1973**

# CANADIAN ARROW MINES LIMITED

## Head Office

Suite 1921  
Bank of Nova Scotia Building  
44 King Street West  
Toronto, Ontario  
M5H 1E2

## Directors

F. Blair  
Toronto  
J. Geddes  
Mississauga  
E. G. Huggard  
Windsor  
E. R. Huggard  
Arnprior  
G. A. MacMillan  
Tottenham, R.R. No. 2

## Officers

G. A. MacMillan  
President  
E. G. Huggard  
Vice-President  
F. Blair  
Secretary-Treasurer

## Transfer Agent and Registrar

Premier Trust Company  
19 Richmond Street West  
Toronto

## Auditors

Thorne Gunn & Co.  
Toronto

## Annual and General Meeting

11th Floor  
Board of Trade Building  
11 Adelaide Street West  
Toronto  
April 26, 1974 at 9:30 a.m.  
(Toronto Time)

## REPORT OF THE DIRECTORS

### To the Shareholders:

This Annual Report of Canadian Arrow Mines Limited for the year ended December 31, 1973, includes the financial statements with the auditors' report thereon. It is accompanied by an Information Circular in connection with the Notice of Annual and General Meeting and Proxy form.

### PROPERTIES

The continuing improvement in the price of gold has made more viable the Company's patented mining properties in Hislop Township, District of Cochrane and Dogpaw Lake Area, District of Patricia. The directors are exploring ways and means of achieving further development of them.

A geophysical survey was conducted on the four mining claims staked in Playfair Township adjacent to the south of the Company's Hislop Township property. Two targets for their further investigation were indicated.

The Company has retained through holdings in Slocan-Rambler Mines (1947) Limited its interests in silver, lead and zinc in British Columbia.

### GENERAL POLICY

The Company proposes to continue to consider property submissions with a view to acquisition, by staking, option to purchase or otherwise, of interests in mineral prospects of promise, consistent with the Company's financial abilities from time to time.

### SPECIAL BUSINESS

The annual meeting is to be held also as a general meeting. Amendments to The Business Corporations Act make desirable some formal changes in the Company's by-laws and amendment of the Company's articles. The latter is requisite because after the year end it will not be possible to issue par value shares at a discount. The amendment will change all issued and unissued shares of the Company to no par value.

### J. WILLIS AMBROSE

The Company has lost, through the sudden death last month of Dr. Ambrose, the able consulting geologist, upon whom it has been accustomed to rely for over thirty years. He will be sorely missed.

Respectfully submitted,

On behalf of the Board,

G. A. MacMILLAN,  
President.

# CANADIAN ARROW MINES LIMITED

(Incorporated under the laws of Ontario)

## BALANCE SHEET — DECEMBER 31, 1973

(with comparative figures at December 31, 1972)

### ASSETS

	1973	1972
<b>Current Assets</b>		
Cash, including term deposits .....	\$ 141,526	\$ 156,814
Accounts and accrued interest receivable .....	620	3,913
	<u>142,146</u>	<u>160,727</u>
<b>Interest in Other Companies</b>		
Listed shares, at cost (quoted market value 1973, \$31,480; 1972, \$26,526) .....	97,697	97,697
Other shares and advances, at cost less amounts written off .....	40,780	39,780
	<u>138,477</u>	<u>137,477</u>
Less allowance for decline in value .....	110,000	110,000
	<u>28,477</u>	<u>27,477</u>
<b>Fixed Assets</b>		
Equipment, at cost .....	10,219	10,219
Less accumulated depreciation .....	6,915	5,787
	<u>3,304</u>	<u>4,432</u>
<b>Mining claims</b>		
Township of Hislop, Ontario acquired for \$5,583 cash and 480,242 shares valued at \$6,645 .....	12,228	12,228
Dogpaw Lake Area, Ontario, at nominal value .....	1	1
	<u>15,533</u>	<u>16,661</u>
<b>Other Assets and Deferred Charges</b>		
Exploration, development and administrative expenditures deferred (note 1) .....	520,827	511,076
Organization expense .....	4,710	4,710
	<u>525,537</u>	<u>515,786</u>
	<u>\$ 711,693</u>	<u>\$ 720,651</u>

### LIABILITIES

	1973	1972
<b>Current Liabilities</b> .....	Nil	Nil

### SHAREHOLDERS' EQUITY

<b>Capital Stock</b>		
Authorized — 5,000,000 shares of \$1 each		
Issued — 3,557,287 shares .....	\$3,557,287	\$3,557,287
Less discount on shares .....	2,314,717	2,314,717
	<u>1,242,570</u>	<u>1,242,570</u>
Deficit .....	530,877	521,919
	<u>711,693</u>	<u>720,651</u>

Approved by the Board:

“GEORGE A. MacMILLAN”, Director.

“JAMES GEDDES”, Director.

\$ 711,693      \$ 720,651

# CANADIAN ARROW MINES LIMITED

## STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED

Year ended December 31, 1973  
(with comparative figures for 1972)

	1973	1972
<b>Exploration</b>		
Playfair Township, Ontario		
Magnetic and electromagnetic surveys .....	\$ 1,625	
Staking .....	26	
	<hr/> 1,651	
Less government exploration assistance .....	500	
	<hr/> 1,151	
Hislop Township, Ontario		
Taxes and insurance .....	577	\$ 591
Staking .....	350	220
Geologist expenses .....	<hr/> 927	<hr/> 2,150
	<hr/> 927	<hr/> 2,961
Halliday Township, Ontario		
Diamond drilling .....	5,723	
Magnetic, electromagnetic and geochemical surveys .....	1,904	
Surface exploration .....	6	
Geologist expenses .....	<hr/> 2,204	
	<hr/> 9,837	
Less government exploration assistance .....	3,493	
	<hr/> 6,344	
General exploration expenses		
Engineer's fees and expenses .....	6,000	6,500
Travelling expenses .....	1,385	1,315
Field office expenses .....	726	1,000
Depreciation of automobile .....	518	1,037
Other .....	<hr/> 8,629	<hr/> 598
	<hr/> 822	<hr/> 10,450
Less refund of prior years' expenses .....	<hr/> 7,807	<hr/> 10,450
Total exploration expenditures .....	9,885	19,755
Total exploration expenditures, carried forward .....	\$ 9,885	\$ 19,755

# CANADIAN ARROW MINES LIMITED

## STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED (Continued)

Year ended December 31, 1973  
(with comparative figures for 1972)

	1973	1972
	\$ 9,885	\$ 19,755
<b>Total exploration expenditures, brought forward</b>	<b>\$ 9,885</b>	<b>\$ 19,755</b>
 Administrative		
Office rent and occupancy expenses	8,863	9,240
Office salaries	5,350	5,376
Telephone and telegraph	698	1,049
Directors' fees	300	425
Meeting and report expenses	2,075	1,553
Stock exchange fees and expenses	200	200
Share issue and transfer expense	354	474
Legal fees	505	660
Audit fees	1,050	1,000
Depreciation of office equipment	402	503
Business taxes	747	718
General expense	1,037	1,448
Charge to associated companies for office services	(3,900)	(3,900)
	17,681	18,746
 Total expenditures	27,566	38,501
Deduct interest and dividends received	8,857	8,829
Excess of expenditures over interest and dividends received	18,709	29,672
Balance deferred at beginning of year	511,076	547,830
	529,785	577,502
 Deduct exploration expenditures written off to deficit		
General exploration	7,807	10,450
Halliday Township, Ontario		55,976
Playfair Township, Ontario	1,151	
	8,958	66,426
 Balance deferred at end of year	\$ 520,827	\$ 511,076
 Summary of expenditures deferred		
Exploration and development of claims		
Hislop Township, Ontario	\$ 464,709	\$ 463,782
Administrative expenses		
Less interest and dividends received	56,118	47,294
	\$ 520,827	\$ 511,076

# CANADIAN ARROW MINES LIMITED

## STATEMENT OF DEFICIT

Year ended December 31, 1973  
 (with comparative figures for 1972)

	1973	1972
Deficit at beginning of year .....	\$ 521,919	\$ 394,768
Exploration expenditures written off		
General exploration .....	7,807	10,450
Halliday Township, Ontario .....		55,976
Playfair Township, Ontario .....	1,151	
Cost of option on 38 mining claims in Township of Halliday, Ontario, allowed to lapse .....		30,000
Allowance for decline in value of interest in other companies .....		30,000
Loss on sale of shares .....	725	
Deficit at end of year .....	<u>\$ 530,877</u>	<u>\$ 521,919</u>

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1973  
 (with comparative figures for 1972)

	1973	1972
Source of funds		
Interest and dividends received .....	\$ 8,857	\$ 8,829
Proceeds from sales of shares in other companies less cost of purchases .....		195
	<u>8,857</u>	<u>9,024</u>
Application of funds		
Exploration and administrative expenditures (net) .....	27,566	38,501
Deduct depreciation not involving current outlay .....	1,128	1,540
	<u>26,438</u>	<u>36,961</u>
Advances to another mining company .....	1,000	1,000
	<u>27,438</u>	<u>37,961</u>
Decrease in working capital .....	18,581	28,937
Working capital at beginning of year .....	160,727	189,664
Working capital at end of year .....	<u>\$ 142,146</u>	<u>\$ 160,727</u>

# CANADIAN ARROW MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS December 31, 1973

### 1. Recovery of Costs

Exploration, development and administrative expenditures amounting to \$520,827 at December 31, 1973 have been deferred with the intention that they should be amortized along with the cost of mining claims by charges against income from future mining operations. The recovery of these costs is dependent, therefore, upon the obtaining of adequate financing and the development of an economic mining operation.

### 2. Remuneration of Directors and Senior Officers

Direct remuneration of directors and senior officers as defined by The Business Corporations Act amounted to \$11,650 in 1973 and \$12,301 in 1972.

## AUDITORS' REPORT

To the Shareholders of  
Canadian Arrow Mines Limited

We have examined the balance sheet of Canadian Arrow Mines Limited as at December 31, 1973 and the statements of exploration, development and administrative expenditures deferred, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE GUNN & CO.

Chartered Accountants.

Toronto, Canada  
January 11, 1974

# CANADIAN ARROW MINES LIMITED

Meeting of Shareholders  
April 26, 1974

## INFORMATION CIRCULAR as at March 25, 1974

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Canadian Arrow Mines Limited ("the Company") of proxies to be used at the meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular personnel of the Company at nominal cost. The Company does not intend to pay any compensation for the solicitation of proxies. The cost of solicitation by management will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are officers and directors of the Company. **A shareholder desiring to appoint some other person to attend and act for him and on his behalf at the meeting may do so** either by inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Company not later than 48 hours before the time of the meeting. Proxies received less than 48 hours before the meeting will not be used at the meeting.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by signing written notice of revocation and delivering it to the Company or the Chairman of the meeting, or (c) attending at the meeting and orally revoking such proxy.

Where a proxy or revocation is signed by a corporation, its corporate seal must be affixed.

### EXERCISE OF DISCRETION BY PROXIES

The shares represented by the proxy will be voted on any item on which a ballot is taken and, where the person whose proxy is solicited specifies a choice with respect to any matter to be acted upon, the shares shall, subject to section 121 of The Business Corporations Act, be voted in accordance with the specification so made. **In the absence of such specification, such shares if voted will be voted in favour of:**

- (a) the approval of the 1973 Annual Report which includes the Report of the Directors, the Financial Statements for the period ended December 31, 1973 and the Auditors' Report;
- (b) the election as directors of the nominees designated below;
- (c) the appointment as auditors of Thorne Gunn & Co. with authority to the directors to fix their remuneration;
- (d) the confirmation of By-law No. 19;
- (e) the confirmation of By-law No. 20;
- (f) the confirmation of Special Resolution "C".

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting, and any adjournment thereof. At the time of printing this Circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

At the date hereof there were outstanding 3,557,287 shares of the Company with a par value of \$1.00 each and each carrying the right to one vote. To the best knowledge of the directors and senior officers of the Company, the following are the only persons or companies beneficially owning directly or indirectly shares carrying more than 10% of the voting rights attached to all issued shares of the Company:

<u>Name</u>	<u>Shares</u>
Airquests Limited .....	669,398
Kam-Kotia Mines Limited and its wholly-owned subsidiary, Deebank Limited .....	704,417
MacMillan Prospecting & Development Limited .....	505,647

Shareholders of record at the time of the meeting will be entitled to attend and vote at the meeting. The recorded addresses of Shareholders are indicated on the printed Proxy furnished with the Notice of Meeting. Shareholders are urged to see that the Company or the Transfer Agent, Premier Trust Company, 19 Richmond Street West, Toronto, have their current addresses.

### **ELECTION OF DIRECTORS**

The board consists of five directors. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the board of directors and have been since the dates indicated. The management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next Annual Meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the by-laws.

The following table states the names of all the persons proposed by management to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations and number of shares of the Company beneficially owned directly or indirectly by each of them as of the date hereof:

<u>Name and Office Held</u>	<u>Principal Occupation during past five years</u>	<u>Shares</u>	<u>Became Director</u>
G. A. MacMillan (President)	Independent Prospector	349,599 direct*	1938
E. G. Huggard (Vice-President)	Retired; former Toolmaker	—	1968
F. Blair (Secretary/Treasurer)	Accountant	6,500 **	1972
J. Geddes	Accountant	—	1956
E. Ross Huggard	Teacher	—	1968

\*G. A. MacMillan also owns the majority of the issued shares of Airquests Limited and MacMillan Prospecting & Development Limited which, as mentioned above, own respectively 669,398 and 505,647 shares of the Company.

\*\*Held in joint ownership with husband, Thomas Blair.

NOTE: The information with respect to directors and shares beneficially owned by them, not being within the knowledge of the Company, has been furnished by the respective directors individually.

### **REMUNERATION OF DIRECTORS AND SENIOR OFFICERS**

No remuneration other than a nominal fee per meeting attended was paid or is payable by the Company to the directors of the Company as such for the fiscal year ended December 31, 1973. While

a retainer of \$1,000 per month is authorized for the President, G. A. MacMillan, in 1973 the total amount paid and payable during the year to the directors and senior officers as a group was \$11,650 and it is expected that a similar amount will be paid during the current year.

#### **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to vote for the appointment of Thorne Gunn & Co., Chartered Accountants, Toronto, as auditors of the Company to hold office until the next Annual Meeting of Shareholders. Thorne Gunn & Co. and their predecessors have been the auditors of the Company for more than five years.

#### **SPECIAL BUSINESS**

In view of the provisions of certain amendments to The Business Corporations Act, certain amendments to the Company's by-laws and articles are desirable:

- (i) By-law Number 19 enacted by the directors March 25, 1974, amends By-law Number 1 of the Company, relating generally to the transaction of its business and affairs to eliminate, without substantive changes otherwise, provisions which may be considered to contravene the Act, as amended;
- (ii) By-law Number 20 enacted by the directors March 25, 1974, permits continued remuneration of directors on the same basis as formerly viz. \$35. per meeting of the board or of a committee attended;
- (iii) Special Resolution "C" passed by the directors March 25, 1974, is to amend the Articles of the Company by changing all issued and unissued shares with the par value of \$1.00 each to shares without par value.

The persons named in the enclosed form of proxy intend to vote in favour of the confirmation of By-laws Nos. 19 and 20 and Special Resolution "C", copies of all of which are available for examination by shareholders at the office of the Company during normal business hours up to the business day preceding the meeting. For confirmation, Special Resolution "C" requires two-thirds of the votes cast at the meeting.



